Burley, ID. 83318-3242 208-678-0430

Fax: 208-677-4878

File Code: 2810

Date: December 16, 2002

Mr. Michael Cates Production Manager Interstate Rock Products, Inc. P.O. Box 821010 Vancouver, WA 98682-0023

Mr. Michael Pauletto 11204 NW 37th Court Vancouver, WA 98685

Dear Mr. Cates and Mr. Pauletto:

On November 27, 2002 we received confirmation from Biggs Insurance Services of Vancouver, Washington that the reclamation bond posted for the unauthorized disturbance at Clark's Basin in the Raft River Division of the Sawtooth National Forest has been renewed through December 21, 2003.

While reviewing the bond it was noted that you had not signed the reclamation cost estimate that was attached to the bond. I have enclosed the reclamation cost estimate that you will need to sign and return back to us as soon as possible.

We will also need clarification on the relationship between the corporation (I & P Investments LLC) listed on the reclamation bond and Interstate Rock Products that submitted the plan of operations on December 18, 2000.

If you have any question or comments please contact Steve Flock, Minerals Management Specialist, at the above address or telephone number.

Sincerely,

SCOTT C. NANNENGA

Minidoka District Ranger

Enclosure:

1. Bond Estimate

cc. Utah Division of Oil, Gas and Mining Attn: Mr. Lynn Kunzler RECEIVED

DEC 1 8 2002

DIV. OF OIL, GAS & MINING





Bond Estimate - Interstate Rock Trespass

Reclamation Objective

Quarry Area

The area on the map described as the "Clarks Basin Mine" is just under 3 acres in size (2.92 acres) and has an approximate length of 560 feet and an average width of 300 feet.

The reclamation objective is to recontour the "Clarks Basin Mine" area (3 acres) by reconstructing the hill to a predisturbance condition as a gently rounded "knoll" then spread any available growing medium over the surface of the disturbed area and revegetate the entire disturbed area.

Selection of Equipment for Quarry Area Reclamation

The selection of equipment was based on mobilization of earthmoving equipment from Burley, Idaho. Burley would be the closest available government contract equipment location. Labor rates are based on Davis-Bacon Northern Utah Zone II.

A Caterpillar D8R dozer (or equivalent) will be used to recontour the "Clarks Basin Mine" area. Hourly Rate w/ oper. - \$75.52 + \$32.49 = \$108

Estimated volume of material to be moved - 2.92 A x 43,560 SF/A x 2 ft. ave. depth / 27CF/LCY = 9,400 LCY

Estimated Production rate based on a 200 ft. push distance from the outside edge to the center of the quarry. Uncorrected production - 400 LCY/hr from CAT Handbook

Estimated Production - 400 LCY/hr (0.80 material) (0.80 grade) (1.2 slot dozing) (0.75 ave. oper.) (0.83 job eff.) (1.0 wt. Corr.) = 190 LCY/hr

Road

Once the quarry area has been recontoured and initially seeded then the access road would be reclaimed.

12,135 feet of road - The total length of road that was constructed during the week of September 4, 2000.

1,785 feet of road - Recontoured by Interstate Rock operator as of October 4, 2000.

10,350 feet of road - The remaining section of road that has been blocked near Bown's Dove Creek Quarry to discourage access until the notice of noncompliance has been resolved and for the access is approved. As of October 4, this road has been waterbarred, the culverts have been removed, and the fill has been cleaned out of the cross drainages.

The average disturbance width for the entire length of road is estimated to be 20 feet.

Total acres of disturbance for the road -12,135 ft. x 20 ft. /43,560 ft. 2 = 5.6 acres.

The reclamation objective is to remove the road surfacing material (waste rock), backhaul it to the quarry, then recontour the remaining length of newly constructed road – 10,350 feet. Remove all culverts and fill material from the drainages and re-establish the existing road. Stabilize all disturbed areas and have sufficient bond to ensure revegetation success.

Selection of Equipment for Road Reclamation

The selection of equipment was based on mobilization of earthmoving equipment from Burley, Idaho. Burley would be the closest available government contract equipment location. Labor rates are based on Davis-Bacon Northern Utah Zone II.

A Caterpillar 315 Excavator (or equivalent) will be used to recontour the roads.

Hourly Rate w/ oper. - \$40.89 + \$32.24 = \$73.13/hr

Total length of road to recontour - 10,350 feet of road. Estimated Production rate - 200 ft. / hr.

Laborer on-site during the road recontouring - assist with placing rip rap, seeding and fertilizing.

Mobilization for the excavator from Burley, ID w/ operator - \$ 82.20 (\$49.90 + \$32.30) Estimated time round trip inc. load and unload - 6 hours/ trip

2 trips x 6 hrs./trip x \$82.20/hr. → \$985

A 10 CY dump truck will be used to haul the waste rock used for surfacing material to the quarry.

Estimated time- 10 hrs (inc. mobilization from Burley, Id.) Hourly Rate for truck w/ oper. \$30.25 + \$27.09 = \$57.34/hr

Mobilization of service truck for fuel, maint. Equip., fire equip., etc., inc. driver/laborer-\$30.98 (\$12.27 + \$18.71)

 Revegetation *
Disturbance Area -

Road - 12,135ft. x 20ft. Dist. Width / 43,560 SF/A = 5.6 Acres Quarry Area

<u>2.92</u> 8.52 Acres

\$2,550

Duration of Project

- Quarry Area 50 hrs (5 10hr. days)
- Road Surface removal I day
- Road recontouring 51.75 hrs (5 10hr. days)

Mobilization of equipment — 2 days

Total Operating Time – 13 days

Per diem for equipment operator and laborer - allow ½ day for the first day and ½ day for the last day.

- 2 x 12 days x \$85/day ------

\$2,040

Forest Service On-site Administration

Estimated time one inspector for 4 - 8hr. days.

1 - GS- 1 @ \$220/8 hr. day x 4 days ------

\$880

Subtotal Administration (contracting) 15%

\$17,605 **\$2,64**0

. . . .

Recommended Bond

\$20,245

The bond amount will be reviewed annually and adjusted to compensate for completed reclamation work, changes in the equipment rental rates, wages, materials, increase in scope of operations, etc.

Conditions of Bond Release

Partial Release

Upon completion of the project, portions of the bond can be released when the earthwork (recontouring, reshaping, ripping, scarification, etc.) has been completed and the areas are stabilized and resected. The amount of the bond covering these activities can be released and only the portion covering revegetation will be held.

Bond Release

Total release of the bond can only be approved when all disturbed areas have been recontoured, reshaped, ripped, scarified, etc.; adequate drainage has been installed, and revegetation has been completed to the Forest Standard.

Standard for Minimum Acceptable Revegetation

Revegetation of the disturbed areas will be considered adequate when a minimum of 75 percent ground cover has been maintained for 2 consecutive years over 90 percent of the area reclaimed. Ground cover will be comparable to an adjacent reference area.

R-4 Cost Estimating Guide for Road Construction 2000

References

CAT Performa	ance Handbook ed. 30	
Sawtooth Nati	onal Forest Employee Labor Rates	
Prepared by:	JEFF GABARDI	
•	Mining Engineer	
Reviewed and	Approved by:	·
	Operator	
Approved by:		Date:
	District Ranger	